

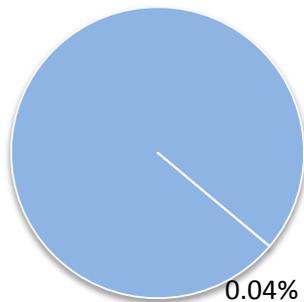
FY16 Budget Briefing

State Treasurer

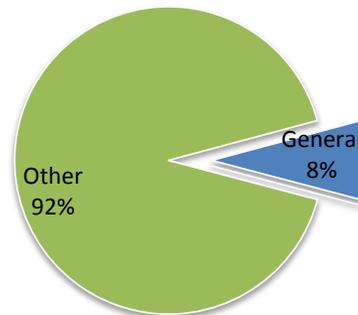
Excluding Investment Council

Information contained in this document is based on the Governor's original recommended FY16 budget. This document may not correspond with the final FY16 budget adopted by the Legislature.

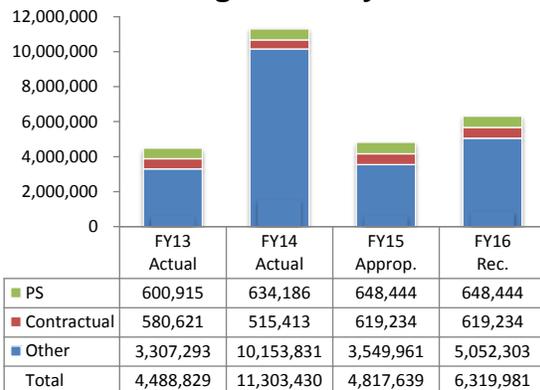
Agency Share of Budgeted General



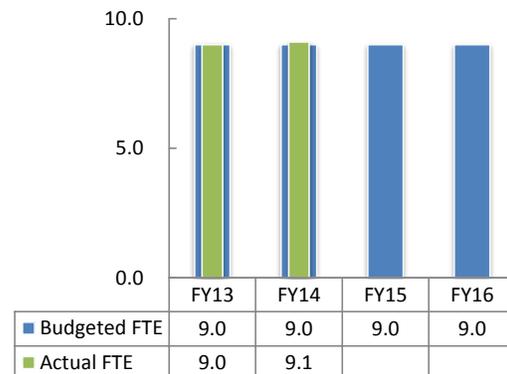
Sources of Funds



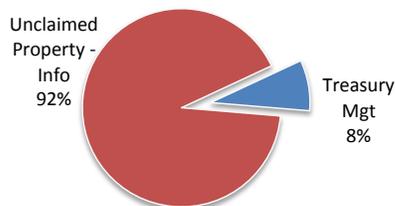
Budget History



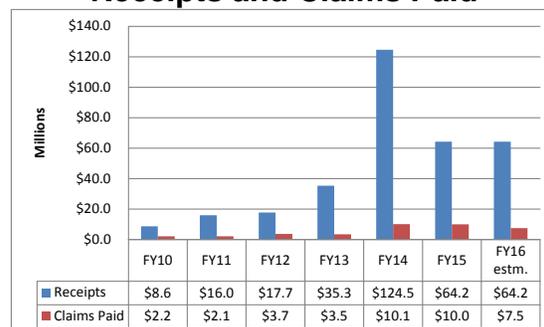
FTE



Distribution of Total Agency Funds



Unclaimed Property Receipts and Claims Paid



Key Personnel

- Richard Sattgast, State Treasurer
- Lee DeJabet, Administrator
Unclaimed Property
- Rik Drewes, Deputy Treasurer

Department Total – Excludes State Investment Council

The State Treasurer is responsible for the management of the state's treasury. Duties include accounting, support of other state agencies, banking, bond management, data processing, supervision and regulation of public funds insurance, coordination with the State Auditor for payment of warrants, and unclaimed property management. The State Treasurer also is a member of the State Investment Council, monitoring the investment of public funds.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	466,749	485,489	499,803	499,803	499,803	0	0.0%
Employee Benefits	134,167	148,697	148,641	148,641	148,641	0	0.0%
FTE	9.0	9.2	9.0	9.0	9.0	0.0	0.0%
Funding Types							
General	353,263	368,482	380,263	380,263	380,263	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	247,653	265,704	268,181	268,181	268,181	0	0.0%
Total PS	600,915	634,186	648,444	648,444	648,444	0	0.0%
Operating Expenses							
Travel	21,747	16,666	29,007	29,007	29,007	0	0.0%
Contractual Services	580,621	515,413	619,234	619,234	619,234	0	0.0%
Supplies & Materials	20,028	25,700	18,296	18,296	18,296	0	0.0%
Capital Outlay	7,532	12,574	2,658	5,000	5,000	2,342	88.1%
Other	3,257,986	10,098,890	3,500,000	5,000,000	5,000,000	1,500,000	42.9%
Funding Types							
General	135,330	130,968	142,601	142,601	142,601	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	3,752,584	10,538,275	4,026,594	5,528,936	5,528,936	1,502,342	37.3%
Total OE	3,887,914	10,669,243	4,169,195	5,671,537	5,671,537	1,502,342	36.0%
Totals							
Funding Types							
General	488,592	499,451	522,864	522,864	522,864	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	4,000,237	10,803,979	4,294,775	5,797,117	5,797,117	1,502,342	35.0%
Total	4,488,829	11,303,430	4,817,639	6,319,981	6,319,981	1,502,342	31.2%

Department Object Detail

Item	Actual FY2013	Actual FY2014	Budgeted FY2015	Governor Rec FY2016	Inc/Dec Over FY2015	% Change Over FY2015
PERSONAL SERVICES						
General	353,262	368,485	380,263	380,263	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	247,653	265,704	268,181	268,181	0	0.0%
Total Personal Services	600,915	634,189	648,444	648,444	0	0.0%
FTE	9.0	9.1	9.0	9.0	0.0	0.0
TRAVEL						
General	10,462	8,475	12,507	12,507	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	11,285	8,191	16,500	16,500	0	0.0%
Total Travel	21,747	16,666	29,007	29,007	0	0.0%
CONTRACTUAL SERVICES						
General	111,131	109,651	121,998	121,998	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	469,490	405,762	497,236	497,236	0	0.0%
Total Contractual Services	580,621	515,413	619,234	619,234	0	0.0%
SUPPLIES AND MATERIALS						
General	9,468	5,697	5,996	5,996	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	10,560	20,003	12,300	12,300	0	0.0%
Total Supplies and Materials	20,028	25,700	18,296	18,296	0	0.0%
CAPITAL OUTLAY						
General	4,269	7,145	2,100	2,100	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	3,263	5,428	558	2,900	2,342	419.7%
Total Capital Outlay	7,532	12,573	2,658	5,000	2,342	88.1%
OTHER						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	3,257,986	10,098,890	3,500,000	5,000,000	1,500,000	42.9%
Total Other		10,098,890	3,500,000	5,000,000	1,500,000	42.9%
TOTAL						
General	488,592	499,453	522,864	522,864	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	4,000,237	10,803,978	4,294,775	5,797,117	1,502,342	35.0%
Total All Funds	4,488,829	11,303,431	4,817,639	6,319,981	1,502,342	31.2%

Major Expansions and Reductions

Governor's Recommendation					
	General Funds	Federal Funds	Other Funds	TOTAL Funds	FTE
A. Unclaimed Property Program					
Capital Assets			2,342	2,342	
Unclaimed Property Claims			1,500,000	1,500,000	
B. Treasury Management				-	
TOTAL	-	-	1,502,342	1,502,342	-

Budget Notes

- A. **Unclaimed Property Program** – Funding for this program comes from the Unclaimed Property Trust Fund. This budget is for informational purposes and the money in the trust fund is continuously appropriated (SDCL43-41B-24 and 43-41B-24.1).

The recommended increase in funding for this program is for the following purposes:

1. Additional claims against the fund - the Office estimates an increase in the payment of claims to be \$1,500,000, which is an increase of 42.9%. The total estimated claims payable in FY2016 is \$5M.
2. The purchase of three document scanners and one printer to assist in claims processing. The total increase is \$2,342 in other funds and brings the total capital asset budget to \$5,000, which is an increase of about 88%.

- B. Budget adjustments in **Treasury Management** include budget realignments and zero basing the Capital Outlay budget.

Interagency Billings

	General Funds	Federal Funds	Other Funds	Total Funds
FY14 Actual Expenditures				
Bureau of Administration	19,841	-	46,033	65,874
Bureau of Finance and Management	-	-	8,445	8,445
Bureau of Human Resources	-	-	-	-
Bureau of Information and Telecommunications	8,797	-	63,319	72,116
<i>Total Bureau Billings</i>	28,638	-	117,797	146,435

Other Fund Balances

Company and Fund Name	Blue Book Page				Lowest Monthly Cash Balance in Past Five Years	
		FY2013	FY2014	60-Month Average Cash Balance	Amount	Month
Company 3062 - Teen Court Grant Program Fund	307	\$ 102,753	\$ 34,359	48,718	5,670	December 2009
Company 8000 - Agency Fund	308	\$ 690,879	\$ 682,959	N/A	N/A	N/A
Company 8324 - Unclaimed Property Trust Fund	309	\$ 598	\$ 49,863	2,296,392	(312,793)	February 2011

Governor's Recommended State Employee Compensation Plan – BFM Pool

For FY16, the Governor recommended the 1) state employee compensation plan, 2) bureau billings, and 3) captive insurance be placed in a pool in BFM to be distributed to each agency. *Therefore, individual agency personal services and contractual services budgets do not reflect budget increases for the compensation plan, bureau billings, or captive insurance.*

- Below are the estimated distributions for employee compensation for FY16. BFM will distribute dollars from the Pool after employees are placed in the new General Pay Structure and career band pay-for-performance scores and percentages are calculated. The distributed amount to the agency will be in addition to the agency's appropriated personal services budget.

Est. FY16 Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Market Adjustments	6,674	0	4,707	11,381
Movement Toward Market Value	0	0	0	-
Bureau Billings for Comp Pkg	296	0	1,668	1,964
<i>Total Comp Pkg</i>	6,970	-	6,375	13,345

Recommended FY16 – 2% market adjustment for all permanent employees (except Career Bands); 0%-6.6% market adjustments for Career Bands; 2.5% movement toward market value for General Pay Structure and PACE; 0% to 4.5% pay for performance for Career Bands; 0% health insurance.

- Below are the estimated distributions for bureau billings for FY16. The amount distributed to the agency will be in addition to the agency's appropriated contractual services budget.

Est. FY16 Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau Billings for Expansion	876	0	1,271	2,147
Bureau Billings for Comp Pkg	296	0	1,668	1,964
<i>Total</i>	1,172	-	2,939	4,111

- The estimated distribution to each agency for Captive Insurance is not available at this time.

TREASURY MANAGEMENT

The mission of the Division of Treasury Management is to have charge of and keep all public monies paid into the state treasury, and pay out the same as directed by law; to account for the receipts and disbursements of all monies due the State Treasurer and remitted to the treasury by state officers and employees; to receipt federal payments for rent, or in lieu of taxes, and remit the same to county treasurers as directed by law; to allocate available monies entitled to various entities and agencies of state government and to political subdivisions for purposes specified by statute; and to perform all other duties legally required of the State Treasurer.

	<u>Actual</u> <u>FY13</u>	<u>Actual</u> <u>FY14</u>	<u>Budgeted</u> <u>FY15</u>	<u>Agency</u> <u>Request</u> <u>FY16</u>	<u>Gov Rec</u> <u>FY16</u>	<u>Gov Rec</u> <u>Inc/Dec for</u> <u>FY16</u>	<u>% Change</u> <u>From</u> <u>FY2015</u>
Personal Services							
Employee Salaries	276,638	282,942	294,014	294,014	294,014	0	0.0%
Employee Benefits	76,624	85,540	86,249	86,249	86,249	0	0.0%
FTE	5.0	5.1	5.2	5.2	5.2	0.0	0.0%
Funding Types							
General	353,263	368,482	380,263	380,263	380,263	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total PS	353,263	368,482	380,263	380,263	380,263	0	0.0%
Operating Expenses							
Travel	10,462	8,475	12,507	12,507	12,507	0	0.0%
Contractual Services	111,131	109,651	121,998	121,998	121,998	0	0.0%
Supplies & Materials	9,468	5,697	5,996	5,996	5,996	0	0.0%
Capital Outlay	4,269	7,145	2,100	2,100	2,100	0	0.0%
Funding Types							
General	135,330	130,968	142,601	142,601	142,601	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	135,330	130,968	142,601	142,601	142,601	0	0.0%
Totals							
Funding Types							
General	488,592	499,451	522,864	522,864	522,864	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	488,592	499,451	522,864	522,864	522,864	0	0.0%

UNCLAIMED PROPERTY - INFORMATIONAL

The mission of the Division of Unclaimed Property is to carry out the duties and responsibilities of the South Dakota Uniform Unclaimed Property Act; to have charge of and custodial responsibility for all property and monies received under this chapter; to maintain unclaimed property monies in a separate trust fund, and to pay rightful owners as directed by law; to keep an accurate record of the unclaimed property accounts and disbursements of the funds; and to reimburse various entities, holders, and service providers as directed by statute.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	190,111	202,547	205,789	205,789	205,789	0	0.0%
Employee Benefits	57,542	63,157	62,392	62,392	62,392	0	0.0%
FTE	4.0	4.0	3.8	3.8	3.8	0.0	0.0%
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	247,653	265,704	268,181	268,181	268,181	0	0.0%
Total PS	247,653	265,704	268,181	268,181	268,181	0	0.0%
Operating Expenses							
Travel	11,285	8,191	16,500	16,500	16,500	0	0.0%
Contractual Services	469,490	405,762	497,236	497,236	497,236	0	0.0%
Supplies & Materials	10,560	20,003	12,300	12,300	12,300	0	0.0%
Capital Outlay	3,263	5,428	558	2,900	2,900	2,342	419.7%
Other	3,257,986	10,098,890	3,500,000	5,000,000	5,000,000	1,500,000	42.9%
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	3,752,584	10,538,275	4,026,594	5,528,936	5,528,936	1,502,342	37.3%
Total OE	3,752,584	10,538,275	4,026,594	5,528,936	5,528,936	1,502,342	37.3%
Totals							
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	4,000,237	10,803,979	4,294,775	5,797,117	5,797,117	1,502,342	35.0%
Total	4,000,237	10,803,979	4,294,775	5,797,117	5,797,117	1,502,342	35.0%

Unclaimed Property Receipts and Claims

	<u>Receipts</u>	<u>Claims Paid</u>	<u>Net Claims</u>
FY10	8,640,965	2,152,101	6,488,864
FY11	15,961,434	2,068,686	13,892,748
FY12	17,734,247	3,669,205	14,065,042
FY13	35,292,333	3,481,325	31,811,008
FY14	124,549,086	10,098,890	114,450,196
FY15 estm.	64,230,300	10,000,000	54,230,300
FY16 estm.	64,230,300	7,500,000	56,730,300

Revenues as reported in the Governor's Budget Book

	<u>FY 2013</u>	<u>FY2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Cash Receipts	35,292,333	124,549,086	64,230,300	64,230,300

Statistics as reported in the Governor's Budget Book

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Claims Submitted	8,782	26,950	10,000	10,000
Properties Received	114,423	314,511	150,000	150,000
Properties Paid	9,815	22,035	10,000	10,000
Avg # of Days to Intial Processing of Claim	1.1	1.4	1.1	1.1
-----	-----	-----	-----	-----
Amount of Claims Paid	\$3,481,325	\$10,098,890	\$10,000,000	\$7,500,000
Claims Paid	3,973	10,024	4,500	6,000
Records in Unclaimed Property Database	482,277	796,741	832,277	900,000
Stock Portfolio Valuation	\$4,231,197	\$8,562,604	\$8,000,000	\$8,000,000

Selected Statutes Governing Unclaimed Property Trust Fund

43-41B-24. Deposit of funds. (a) Except as otherwise provided by this section, the administrator shall promptly deposit in the general fund of this state all funds received under this chapter, including the proceeds from the sale of abandoned property under § 43-41B-23. The administrator shall retain in a separate trust fund an amount not more than fifty thousand dollars from which prompt payment of claims duly allowed must be made by him. Before making the deposit, the administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary and with respect to each policy or contract listed in the report of an insurance company its number, the name of the company, and the amount due. The record must be available for public inspection at all reasonable business hours.

(b) The administrator may pay from the unclaimed property trust fund:

- (1) Any costs in connection with the sale of abandoned property;
- (2) Costs of mailing and publication in connection with any abandoned property;
- (3) Reasonable service charges; and
- (4) Costs incurred in examining records of holders of property and in collecting the property from those holders.

Source: SL 1992, ch 312, § 23; SL 1993, ch 327, § 1.

43-41B-24.1. Continuous appropriation of fund--Report--Approval of certain expenditures . Money in the unclaimed property trust fund for payment of costs and expenses authorized under § 43-41B-24 is continuously appropriated for those purposes. Any expenditures shall be paid upon warrants drawn by the state auditor pursuant to vouchers authorized by the state treasurer. All funds paid out by the state treasurer under chapter 43-41B shall be set forth in an informational budget as described in § 4-7-7.2 and be annually reviewed by the Legislature. Any expenditure other than unclaimed property claims that exceeds the informational budget shall be approved by the Board of Finance pursuant to chapter 4-1.

Source: SL 1993, ch 327, §§ 2, 3; SL 2012, ch 210, § 1.

GOAC Performance Indicator Project

The report below was developed as a template for the Office of the State Treasurer. The template includes goals and performance measurers identified by Treasurers and Comptrollers in other states. The Government Operations and Audit Committee continues to review and evaluate the goals and performance measures for this agency.

Office of the State Treasurer									
Below are Goals and Key Performance Indicators from other states. They are provided for illustration purposes only. Goals, KPIs, and targets need to be developed by the agency, and agreed to by the Government Operations and Audit Committee. The indicators listed below <u>may or may not be</u> applicable to the South Dakota's Office of the State Treasurer.									
<p>What goals are you trying to accomplish?</p> <p>What activities are you doing to accomplish the goals?</p> <p>How do you measure whether you are accomplishing the goals?</p>									
Goal 1. To improve cash management procedures.									
Performance Measures					HISTORICAL DATA SECTION				
	Trend	Status	Actual	Target	FY12	FY13	FY14	FY15 estm.	FY16 Estm.
<u>Activity A. Monitor daily target balances with depository bank in order to increase the amount of money available for investment by the state.</u>									
i.		●							
ii.		●							
<u>Activity B. Control costs of banking service</u>									
i.		●							
<u>Activity C. Timeliness and accuracy of month end reporting</u>									
i.		●							
ii.		●							
Goal 2. To provide excellent customer service.									
Performance Measures					HISTORICAL DATA SECTION				
	Trend	Status	Actual	Target	FY12	FY13	FY14	FY15 estm.	FY16 Estm.
<u>Activity A. Survey customers annually</u>									
i.		●							
ii.		●							
iii.		●							
iv.		●							
v.		●							
vi.		●							
Goal 3. Return unclaimed funds to rightful owners.									
Performance Measures					HISTORICAL DATA SECTION				
	Trend	Status	Actual	Target	FY12	FY13	FY14	FY15 estm.	FY16 Estm.
<u>Activity A.</u>									
i.		●							
ii.		●							
<u>Activity B. Control costs of banking service</u>									
i.		●							
vi.		●							

Goals, activities, performance measures, targets and trends are being developed.

Goals, activities, performance measures, targets and trends are being developed.

Goals, activities, performance measures, targets and trends are being developed.